

## 7A Am. Jur. 2d Automobiles § 81

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### Automobiles and Highway Traffic

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### III. Licensing, Taxation, and Registration

#### A. Vehicles

##### 4. Collection, Disbursement, and Refund of Tax

## § 81. Collection

[Topic Summary](#) | [Correlation Table](#) | [References](#)

### West's Key Number Digest

West's Key Number Digest, Automobiles  45, 48, 97, 100

A penalty may be exacted for the nonpayment of license or registration fees and taxes on the owners of motor vehicles required by statute, although the penalty is not a substitute for the fee or tax itself, so that the proper authorities may have recourse to the usual civil remedies for the collection of a debt, notwithstanding the assessment of such a penalty.<sup>1</sup> License or registration fees and taxes in some jurisdictions may become a lien upon the vehicle from the date on which they become due, and may be collected by seizure and sale of the vehicle.<sup>2</sup> The validity of such statutes has been upheld as against various constitutional objections.<sup>3</sup> Under this type of statute, all taxes due on the vehicle must be paid before a repossession title may be obtained in a secured creditor's foreclosure action.<sup>4</sup>

### Practice Tip:

When the legislature grants the motor vehicle licensing body the right to collect fees for certain out-of-state motor vehicles, it also implicitly grants the agency the power to audit the records of those within the scope of the statute.<sup>5</sup>

Where a statute provides that motor carrier tax liabilities abate where collection is barred by a statute of limitations, a tax warrant for delinquent motor carrier taxes becomes dormant and uncollectible after the proscribed time period has passed.<sup>6</sup>

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Footnotes

- 1 State ex rel. Stubbs v. Wallace, 140 Ohio St. 166, 23 Ohio Op. 399, 42 N.E.2d 893 (1942).
- 2 Ingels v. Riley, 5 Cal. 2d 154, 53 P.2d 939, 103 A.L.R. 1 (1936).
- 3 International Harvester Cr. Corp. v. Goodrich, 350 U.S. 537, 76 S. Ct. 621, 100 L. Ed. 681 (1956); Ingels v. Riley, 5 Cal. 2d 154, 53 P.2d 939, 103 A.L.R. 1 (1936).
- 4 First Federal Sav. Bank of South Dakota v. Trolinger, 441 N.W.2d 215 (S.D. 1989).
- 5 In re DeCato Bros., Inc., 149 Vt. 493, 546 A.2d 1354 (1988).
- 6 Director of Property Valuation, Div. of Property Valuation of Dept. of Revenue v. Golden Plains Exp., Inc., 13 Kan. App. 2d 48, 760 P.2d 1227 (1988).

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